

Response Under 37 CFR §1.111

REMARKS

Applicants have studied the Office Action dated December 4, 2002 and have made amendments to the claims. No new matter has been added. It is submitted that the application, as amended, is in condition for allowance. By virtue of this amendment, claims 19-31 are pending. Reconsideration and allowance of the pending claims in view of the above amendments and the following remarks is respectfully requested.

In the Office Action, the Examiner:

- rejected claims 19-31 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing particularly point out and distinctly claim the subject matter which the Applicants regard as the invention
- rejected claims 19, 22 and 24 under 35 U.S.C. § 101 as being directed towards non-statutory subject matter
- rejected claims 19-31 under 35 U.S.C. § 103(a) as being unpatentable over Ferguson.

Rejection under 35 U.S.C. § 112, second paragraph

As noted above, the Examiner rejected claims 19-31 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing particularly point out and distinctly claim the subject matter which the Applicants regard as the invention.

First, the Examiner states that it is unclear whether the agent processes the multiple auctions on behalf of the user or the user does the multiple auctions himself. The Applicant respectfully disagrees. Independent claim 19, as amended, is clearly directed to a method on an information processing system for purchasing products using a purchasing agent. Thus, the actions described in independent claim 19 are performed by an information processing system, i.e., a computer, not a user or person. Likewise, independent claim 25 is directed to a system, such as an information processing system, for purchasing products using a purchasing agent. Thus, the actions described in independent claim 25 are performed by an information processing

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system, i.e., a computer, not a user or person. Lastly, independent claim 31 is directed to a computer readable medium for purchasing products using a purchasing agent. Thus, the actions described in independent claim 31 are performed by an information processing system executing the computer readable medium, not a user or person.

Next, the Examiner states that the use of the phrase "*one or more*" in claims 19, 25 and 31 render the claims indefinite. The Applicant has amended claims 19, 25 and 31 in order to address this concern. Subsequently, the Examiner states that the use of the phrase "*the third determining step*" in claims 19 and 25 are lack of antecedent basis. The Applicant has amended claims 19 and 25 in order to address this concern.

Next, the Examiner states that the use of the phrase "*determining if said bid has been accepted*" in claims 19, 25 and 31 render the claims unclear. In addition, the Examiner states that the use of the phrase "*determining if time is running out*" in claims 19, 25 and 31 render the claims unclear. The Applicant has amended claims 19, 25 and 31 in order to address these concerns.

Next, the Examiner states that the use of the phrase "*otherwise determining if*" in claims 19, 25 and 31 render the claims unclear. Finally, the Examiner states that the use of the phrase "*otherwise returning*" in claims 19, 25 and 31 render the claims unclear. The Applicant has amended claims 19, 25 and 31 in order to address these concerns. In view of these amendments, the Applicants traverse the Examiner's rejection. Therefore, the Examiner's rejection should be withdrawn.

Rejection under 35 U.S.C. §101

As noted above, the Examiner rejected claims 19, 22 and 24 under 35 U.S.C. § 101 as being directed towards non-statutory subject matter. The Applicants respectfully traverse this rejection below. The Applicants have amended independent claim 19 in order to address this concern.

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With respect to amended independent claim 19, the claim is directed to a *"method on an information processing system for purchasing products using a purchasing agent."* Thus, the method is performed on an information processing system, such as a computer. Further, the method is directed to a practical application – the automation of auctions for goods or services. Thus, the claimed invention is a statutory process claim under § 101. Specifically, the Examination Guidelines for Computer-Related Inventions state that a computer-related process is statutory under § 101 if the process is limited by the language in the claim to a practical application within the technological arts. This is described in section IV-B-2-(b) of the Examination Guidelines for Computer-Related Inventions, reproduced in relevant part below:

*A claim that requires one or more acts to be performed defines a process. However, not all processes are statutory under § 101. To be statutory, a claimed computer-related process must either: (1) result in a physical transformation outside the computer for which a practical application in the technological arts is either disclosed in the specification or would have been known to a skilled artisan, or (2) be limited by the language in the claim to a practical application within the technological arts. The claimed practical application must be a further limitation upon the claimed subject matter if the process is confined to the internal operations of the computer. If a physical transformation occurs outside the computer, it is not necessary to claim the practical application. A disclosure that permits a skilled artisan to practice the claimed invention, i.e., to put it to a practical use, is sufficient. On the other hand, it is necessary to claim the practical application if there is no physical transformation or if the process merely manipulates concepts or converts one set of numbers into another. (Emphasis Added)*

This concept is further explained in the Examination Guidelines for Computer-Related Inventions at section IV-B-2-(b)-(ii); reproduced in relevant part below:

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*A process that merely manipulates an abstract idea or performs a purely mathematical algorithm is non-statutory despite the fact that it might inherently have some usefulness. For such subject matter to be statutory, the claimed process must be limited to a practical application of the abstract idea or mathematical algorithm in the technological arts. For example, a computer process that simply calculates a mathematical algorithm that models noise is non-statutory. However, a claimed process for digitally filtering noise employing the mathematical algorithm is statutory. (Emphasis Added)*

Therefore, because the method of the Applicant's invention is performed on an information processing system and the method is directed to a practical application – the automation of auctions for goods or services - the claimed invention is a statutory process claim under § 101. In view of the amendment to independent claim 19, the Applicants traverse the Examiner's rejection. Therefore, the Examiner's rejection should be withdrawn.<sup>1</sup>

Rejection under 35 U.S.C. §103(a) over Ferguson

As noted above, the Examiner rejected claims 19-31 under 35 U.S.C. § 103(a) as being unpatentable over Ferguson. The Applicants respectfully overcome this rejection below.

The Ferguson reference is directed towards a system for facilitating the purchase of products from more than one web site or merchant site. Specifically, the Ferguson reference discloses in the Abstract section:

*A system and method for shopping at a variety of different vendors*

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<sup>1</sup> The Applicants note that U.S. Patent No. 5,974,394, examined by Examiner Nguyen, uses almost identical language in claim 5 as the Applicant's invention prior to the present amendment.

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*easily and securely is disclosed . . . When the user is finished shopping at a particular merchant, the user may select another merchant or checkout. At any time during the shopping or during checkout, the user may modify items previously selected by the user. When the user requests to checkout, product selection data is transferred to a secure central checkout processor and the checkout processor obtains order information from the user, performs review order processing, and then processes the order. (Emphasis added).*

The Ferguson reference, however, does not disclose the use of auctions for selling products or services, as described in independent claims 19, 25 and 31. Specifically, nowhere in the specification does the Ferguson reference make any mention of a bidder participating in multiple auctions or managing an auction based on the proceedings of another auction (as described in Applicant's independent claims). In fact, the Ferguson reference as a whole makes no mention of auctions. Further, the Examiner does not state in her rejection that the Ferguson reference discloses the use of auctions.

The Examiner goes on to state on page 5 of the Office Action that "*it is obvious to apply the Ferguson concept when the merchant websites become the auction sites.*" The Applicants do not fully understand this statement. However, the Applicants believe that the Examiner's statement (in view of surrounding text) seeks to assert that an auction web site for products or services is obvious in view of a merchant web site for products or services.

The Examiner goes on to state on page 6 line 3 that "*it would have been obvious to modify Ferguson's for the purpose of obtaining the product with the lowest price to satisfy the buyer's need by conducting the auction at the multiples merchant websites.*" The Examiner further states on page 6 line 6 that "it is well-known in the art to register the buyer at one merchant website to obtain a buyer identification and password." The Examiner further states on page 6 line 9 that "*it is well-known in the art for the buyer to*

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*submit a product purchase request at a search website such as yahoo.com, the buyer is provided the list of merchant websites that have the product request by the buyer."*

The Examiner's statements above, seek to assert that the basic elements of Applicant's independent claims 19, 25 and 31 – the automation of auctions – are well-known in the art.

It should be noted that with regards to the Examiner's statements reproduced above, the Examiner has not asserted any prior art. Rather, the Examiner's statements, to the extent that they can be understood, assert that the basic elements of Applicant's independent claims 19, 25 and 31 – the automation of auctions – are "well-known in the art." If it is true that these features are well-known in the art, then the Examiner will be able to find appropriate prior art (under 35 U.S.C. § 102 or 103) to anticipate these elements of Applicant's independent claims. The Applicants respectfully request that the Examiner produce appropriate prior art to anticipate these elements of Applicant's independent claims.

Alternatively, if the Examiner's statements reproduced above are based on facts within the personal knowledge of the Examiner, the Applicant respectfully requests that the Examiner support these references by filing an affidavit as is allowed under MPEP §707 citing 37 CFR 1.104(d)(2).

Moreover, the Federal Circuit has consistently held that when a §103 rejection is based upon a modification of a reference that destroys the intent, purpose or function of the invention disclosed in the reference, such a proposed modification is not proper and the *prima facie* case of obviousness can not be properly made. See *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984). The invention of the Ferguson reference describes a quick and facilitated method for purchasing of products from one or more merchant web sites, and does not disclose auctions. The Examiner seeks to combine the Ferguson reference with an auction website concept, which is information that is allegedly in the personal knowledge of the Examiner. This combination as suggested by

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the Examiner destroys the intent and purpose of the Ferguson reference, as an auction for goods involves additional steps and processes that are not included in a standard purchase for goods from a merchant web site. Such a combination would involve the addition of supplementary complexities and processes to the system disclosed by Ferguson. Accordingly, for this reason as well, the Applicant's invention is distinguishable over Ferguson in view of the information that is allegedly in the personal knowledge of the Examiner.

Continuing further, when there is no suggestion or teaching in the prior art for combining a method for shopping from multiple merchant web sites with a system for participating in multiple auctions on multiple auction web sites, the suggestion can not come from the Applicant's own specification. As the Federal Circuit has repeatedly warned against using the Applicant's disclosure as a blueprint to reconstruct the claimed invention out of isolated teachings of the prior art. See MPEP §2143 and Grain Processing Corp. v. American Maize-Products, 840 F.2d 902, 907, 5 USPQ2d 1788 1792 (Fed. Cir. 1988) and In re Fitch, 972 F.2d 160, 12 USPQ2d 1780, 1783-84 (Fed. Cir. 1992). The prior art reference Ferguson taken alone or in view of the information that is allegedly in the personal knowledge of the Examiner does not even suggest, teach nor mention the Applicant's invention.

Moreover, very recently, the Federal Circuit again took up the identical question of Obviousness in combining references in the case In re Sang Su Lee, No. 00-1158 (January 18, 2002). In this case Board of Patent Appeals rejected all of Applicant's pending claims as obvious under ' 103. The Federal Circuit vacated and remanded. Citing two prior art references, the Board stated that a person of ordinary skill in the art would have been motivated to combine the references based on "common knowledge" and "common sense," but it did not present any specific source or evidence in the art that would have otherwise suggested the combination. The Federal Circuit held that the Board's rejection of a need for any specific hint or suggestion in the art to combine the references was both legal error and arbitrary agency action subject to being set aside by the court under the Administrative Procedure Act (APA). Accordingly, with no

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suggestion or motivation found in Ferguson taken alone and/or in view of the information that is allegedly in the personal knowledge of the Examiner for a system for allowing participation in multiple web site auctions and management of multiple auctions based on the proceedings of other auctions, the Examiner has failed to properly establish a prima facie case of obviousness of the invention as a "whole" The Applicants submit the present invention distinguishes over Ferguson taken alone and/or in view of the information that is allegedly in the personal knowledge of the Examiner for the reasons stated above.

Therefore, for the reasons stated above, the Ferguson reference taken alone or in view of the information that is allegedly in the personal knowledge of the Examiner does not describe, teach nor suggest the recited elements of independent claims 19, 25 and 31. Therefore, the Examiner's rejection should be withdrawn.

Dependant claims 20-24 and 26-30 depend from independent claims 19, 25 and 31, respectively. Since dependent claims contain all the limitations of the independent claims, claims 20-24 and 26-30 distinguish over the references above. Therefore, the Examiner's rejection should be withdrawn.

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CONCLUSION

In view of the foregoing, Applicants respectfully submit that all of the grounds for rejection stated in the Examiner's Office Action have been overcome, and that all claims in the application are allowable. It is believed that the application is now in condition for allowance, which allowance is respectfully requested.

**PLEASE CALL** the undersigned if that would expedite the prosecution of this application.

Respectfully submitted.

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IN THE CLAIMS (MARKED UP COPY)

19. A method on an information processing system for purchasing products using a purchasing agent, the method comprising:

utilizing a user dialog to register at a plurality of [one or more] auction sites to obtain a user identification and/or password;

utilizing a user dialog to enter a product purchase request;

communicating with a first and/or next auction site;

determining if said product purchase request is available, and if not, proceeding to the communicating step;

determining if a current bid from said auction site is below a limit maximum permitted, and if not, proceeding to the communicating step;

placing a bid for said product purchase request with said auction site;

determining if said bid has been accepted and if so, canceling outstanding bids at other auction sites;

if said bid has not been accepted [otherwise], determining if bidding has been terminated and if so, proceeding to the communicating step;

determining if time is running out on any current outstanding bids and if so, canceling all high-cost outstanding bids and returning to the determining if said bid has been accepted [third determining step]; and

if time is not running out on any current outstanding bids [otherwise], returning to the communicating step to inquire if there are additional auction sites in which it might be advantageous to place a bid on said product purchase request.

25. A system for purchasing products using a purchasing agent, comprising:

means for utilizing a user dialog to register at a plurality of [one or more] auction sites to obtain a user identification and/or password;

means for utilizing a user dialog to enter a product purchase request;

means for communicating with a first and/or next auction site;

means for determining if said product purchase request is available, and if not, proceeding to the means for communicating;

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means for determining if a current bid from said auction site is below a limit maximum permitted, and if not, proceeding to the means for communicating;

means for placing a bid for said product purchase request with said auction site;

means for determining if said bid has been accepted and if so, canceling outstanding bids at other auction sites;

if said bid has not been accepted, means for [otherwise] determining if bidding has been terminated, and if so, proceeding to the means for communicating;

means for determining if time is running out on any current outstanding bids and if so, canceling all high-cost outstanding bids and returning to the third means for determining; and

if time is not running out on any current outstanding bids, means for [otherwise] returning to the means for communicating to inquire if there are additional auction sites in which it might be advantageous to place a bid on said product purchase request.

31. A computer-readable medium comprising programming instructions for purchasing products using a purchasing agent, the programming [computer] instructions including [instructions for]:

utilizing a user dialog to register at a plurality of [one or more] auction sites to obtain a user identification and/or password;

utilizing a user dialog to enter a product purchase request;

communicating with a first and/or next auction site;

determining if said product purchase request is available, and if not, proceeding to the communicating step;

determining if a current bid from said auction site is below a limit maximum permitted, and if not, proceeding to the communicating step;

placing a bid for said product purchase request with said auction site;

determining if said bid has been accepted and if so, canceling outstanding bids at other auction sites;

if said bid has not been accepted, [otherwise] determining if bidding has been terminated and if so, proceeding to the communicating step;

determining if time is running out on any current outstanding bids and if so,

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canceling all high-cost outstanding bids and returning to the third instructions for determining [third determining step]; and

if time is not running out on any current outstanding bids, [otherwise] returning to the communicating step to inquire if there are additional auction sites in which it might be advantageous to place a bid on said product purchase request.